

RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO,
CALIFORNIA AUTHORIZING SUBMITTAL OF AN APPLICATION
TO THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH FOR
A LOW INTEREST LOAN NOT TO EXCEED \$30,000,000 FOR
THE RESIDENTIAL WATER METER RETROFIT PROJECT AND
EXECUTION OF DOCUMENTS

(PROJECT NO. 1010007- 026: RESIDENTIAL WATER METER
RETROFIT PROJECT)

WHEREAS, during 1996, Congress adopted amendments to the federal Safe Drinking Water Act that included grants to States to establish a State Revolving Fund program. The objective of this program is to provide low interest loans and other types of assistance to public drinking water systems to make necessary improvements to those systems; and

WHEREAS, the California Department of Public Health (DPH) has been delegated the responsibility for the administration of the Safe Drinking Water State Revolving Fund Loan Program (Cal. H.& S.C. 116760 et. seq.) within the State, setting up necessary guidelines for water systems under the program; and

WHEREAS, said loan will aid completion of the City of Fresno's Residential Water Meter Retrofit project by January 2013 as required under AB 514 for renewal of its water service contract with the United States Bureau of Reclamation - Central Valley Project; and

WHEREAS, the California Department of Public Health has invited the City of Fresno to submit a loan Application to fund said project; and

WHEREAS, the City of Fresno Department of Public Utilities, which has the authority to construct, operate, and maintain the City's water system, and desires to enhance the provision and protection of the drinking water supplied to the consumers of the City's water system, has submitted a Statement of Intent to the California Department of Public Health as an expression of interest in a low interest loan; and

Adopted 2-10-11
Approved 2-10-11
Effective 2-10-11

WHEREAS, the City of Fresno Department of Public Utilities, pursuant and subject to all of the terms and provisions of the Safe Drinking Water State Revolving Fund (SDWSRF) program, is desirous of submitting a loan application to DPH to fund said project; and

WHEREAS, said guidelines established by the DPH require the applicant to certify by resolution that the applicant has the legal authority to apply for State funding; and

WHEREAS, nothing in this resolution binds or obligates that City's general fund, taxing authority, or borrowing power.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

Section 1. The Council of the City of Fresno, California, authorizes the submittal of an application to the DPH for a Safe Drinking Water State Revolving Fund (SDWSRF) low interest loan in the amount not to exceed \$30,000,000 for completion of residential water meter project provided that, (i) the City of Fresno shall not be bound under the application, nor shall City of Fresno accept or be deemed to have accepted the SDWSRF loan referenced in the application, absent City Council approval of loan terms and conditions that are consistent with the program requirements and all Constitutional and local law requirements, which terms and conditions shall be contained in written contract prior approved as to form by the Office of the City Attorney, (ii) the City's legal authority, liability and obligation under any program loan agreement is subject to constitutional and local law requirements, this resolution and pledged, segregated revenue sources identified and appropriated under the agreement which pledge of revenues shall be junior and subordinate to the prior lien and pledge of the City of Fresno Water System Revenue Bonds 2010 Series A unless the City Council consents otherwise upon approval of the loan.

Section 2. The City of Fresno Public Utilities Director and designee(s) thereof and each of them as agents of the City of Fresno are authorized and directed to cause the necessary data to be prepared and are empowered to

execute the application and apply for State SDWRF program funding in the name of the City of Fresno.

3. The Office of City Attorney is authorized to execute program related certifications, assurances and opinions.

4. Subject to the foregoing provisions, the City certifies it has legal authority to submit this application to the State.

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CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the 10th day of February 2011.

AYES : Baines, Borgeas, Quintero, Westerlund, Xiong, Brand
NOES : None
ABSENT : Clivier
ABSTAIN : None

REBECCA E. KLISCH
City Clerk

BY: Rebecca E. Klisch
Deputy

APPROVED AS TO FORM:
JAMES C. SANCHEZ
City Attorney

BY: R 2-10-11
Robert R. Coyle, Date
Senior Deputy City Attorney